



Budget Update -- Talking Points

Message:

The Democrats want to put a stop-payment order on your refund check and raise your taxes to make sure we don't dip into the Social Security Trust Fund.

Republicans on the other hand believe that you ought to keep your money and that government should eliminate wasteful spending in order to protect Medicare and Social Security.

Supporting Information:

Tax Bill Vs. Spending Increases:

- The tax bill allowed Americans to keep \$40 billion more of their own money in FY 2001.
- However, at the same time, government spending was increased by \$52 billion over the previous year.

Past Spending Increases:

- Non-Defense Discretionary Spending increased by 14.1% last year
- Total Discretionary Spending increased by 8.5% last year
- Including the President's proposed 4% increase for FY 2002, discretionary spending will have increased by an average of 5.6% a year from 1998 to 2002
- During the four years before the surplus emerged (1993-1997) total discretionary spending declined by 2.2%. Over the four year's since the surplus emerged (1997-2001), discretionary spending has increased by 24.1%

Comparisons:

- Government bureaucracies are receiving a bigger budget increase than America's families, seniors, or military personnel.
 - Household Income: +2.7% (1998 to 1999)
 - Social Security COLA: +3.5%
 - Military Pay Increase: +3.7%
 - Inflation: +2.5%

Cost of Spending Increases:

- If Congress and the President had abided by the spending caps set in law as part of the 1997 Balanced Budget Act, the ten-year surplus would be \$2.2 trillion (or 40%) bigger than the current \$5.6 trillion projection. *Source: Congressional Budget Office*

Do We Know Where the Money We Are Spending Now Is Going?:

- 10 of the 14 Cabinet Agencies have failed to receive a clean audit in at least two of the last four years
- 4 Cabinet Agencies (Agriculture, Defense, Justice, and Treasury) have failed to receive a single clean audit over the past four years
- 6 Cabinet Agencies (Agriculture, Defense, Education, HUD, Justice, and Treasury) failed to receive a clean audit last year

Spending By Selected Agency:

	Budget Increase Last Year	Budget Increase 1997-2001	Agency Failed to Receive a Clean Audit
Agriculture Dept.	12.9%	21.0%	4 years running
Commerce Dept.	23.1%*	34.2%	3 out of the last 4 years
Education Dept.	35.7%	50.0%	3 out of the last 4 years
Energy Dept.	10.7%	19.4%	1 out of the last 4 years
Health & Human Services	18.5%	56.7%	3 out of the last 4 years
HUD	35.1%	82.2%	3 out of the last 4 years
Interior Dept.	20.0%	39.7%	1 out of the last 4 years
Justice Dept.	11.2%	28.0%	4 years running
Labor Dept.	35.2%	15.5%	1 out of the last 4 years
Transportation Dept.	26.9%	36.0%	3 out of the last 4 years
Treasury Dept.	12.0%	32.1%	4 years running
Veterans Affairs Dept.	7.2%	18.5%	3 out of the last 4 years

**Excludes Census Funding, Source: House Appropriations Reports*

Source: Office of Management and Budget

Pork-Barrel Spending & Corporate Welfare:

- Citizens Against Government Waste identified \$18.5 billion in pork projects from last year's spending bills, including:
 - \$12 million for "wood utilization" research
 - \$648,000 for ornamental fish research,
 - \$550,000 for a memorial to Dr. Seuss, and
 - \$1.5 million to refurbish the Vulcan Statue.
- Corporate welfare, wasteful spending, and pork barrel spending is estimated to total almost \$60 billion a year or nearly 10% of discretionary spending. *Source: The Heritage Foundation*